

108TH CONGRESS
1ST SESSION

H. R. 2409

To amend title XIX of the Social Security Act to clarify that inpatient drug prices charged to certain public hospitals are included in the best price exemptions for the Medicaid drug rebate program.

IN THE HOUSE OF REPRESENTATIVES

JUNE 10, 2003

Mr. SHADEGG (for himself, Mr. NORWOOD, Mr. MARKEY, and Mr. TOWNS) introduced the following bill; which was referred to the Committee on Energy and Commerce

A BILL

To amend title XIX of the Social Security Act to clarify that inpatient drug prices charged to certain public hospitals are included in the best price exemptions for the Medicaid drug rebate program.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 **SECTION 1. SHORT TITLE.**

4 This Act may be cited as the “Safety Net Hospital
5 Pharmacy Access Act of 2003”.

6 **SEC. 2. CONSTITUTIONAL AUTHORITY.**

7 The constitutional authority upon which this Act
8 rests is the power of the Congress to regulate commerce

1 with foreign nations and among the several States, set
 2 forth in section 8 of article I of the Constitution of the
 3 United States.

4 **SEC. 3. CLARIFICATION OF INCLUSION OF INPATIENT**
 5 **DRUG PRICES CHARGED TO CERTAIN PUBLIC**
 6 **HOSPITALS IN THE BEST PRICE EXEMPTIONS**
 7 **FOR THE MEDICAID DRUG REBATE PRO-**
 8 **GRAM.**

9 (a) IN GENERAL.—Section 1927(c)(1)(C)(i)(I) of the
 10 Social Security Act (42 U.S.C. 1396r–8(c)(1)(C)(i)(I)) is
 11 amended by inserting before the semicolon the following:
 12 “(including inpatient prices charged to hospitals described
 13 in section 340B(a)(4)(L) of the Public Health Service
 14 Act)”.

15 (b) ANTI-DIVERSION PROTECTION.—Section
 16 1927(c)(1)(C) of such Act (42 U.S.C. 1396r–8(c)(1)(C))
 17 is amended by adding at the end the following:

18 “(iii) APPLICATION OF AUDITING AND
 19 RECORDKEEPING REQUIREMENTS.—With
 20 respect to a covered entity described in
 21 section 340B(a)(4)(L) of the Public Health
 22 Service Act, any drug purchased for inpa-
 23 tient use shall be subject to the auditing
 24 and recordkeeping requirements described

1 in section 340B(a)(5)(C) of the Public
2 Health Service Act.”.

3 (c) EFFECTIVE DATE.—The amendments made by
4 this section take effect on October 1, 2003.

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